

## Message Text

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ACTION A-01

INFO OCT-01 EUR-25 ISO-00 FBO-08 M-02 L-03 SS-20 SP-03

RSC-01 DRC-01 SSO-00 /065 W  
----- 071860

O 142115Z AUG 74 ZFF4  
FM USMISSION BERLIN  
TO SECSTATE WASHDC IMMEDIATE NIACT 3803  
INFO AMEMBASSY LONDON IMMEDIATE  
AMEMBASSY BONN

C O N F I D E N T I A L BERLIN 1376

EO11652 GDS  
TAGS ABLD AFSP, PFOR, GE  
SUBJ US ADMINISTRATIVE TEAM VISIT TO EAST BERLIN

REF: BERLIN 1349, STATE 176400

LONDON FOR ASSISTANT SECRETARY HARTMAN

PLEASE PASS A - JOHN THOMAS

1. DURING COURSE OF AUGUST 14 SESSION, GDR  
SIDE HANDED US DEL LETTER CONCERNING PROPERTY EXCHANGE  
IN EAST BERLIN. TRANSLATION OF LETTER FOLLOWS: BEGIN TEXT

2. "IN CONNECTION WITH THE NEGOTIATIONS ON FURNISHING A  
CHANCELLERY BUILDING FOR THE EMBASSY OF THE UNITED STATES  
OF AMERICA IN THE GDR (SIC) YOUR SIDE HAS EXPRESSED THE  
INTENT THAT THE UNITED STATES IS INTERESTED TO EXCHANGE THE  
REAL PROPERTY LOCATED AT AM PARISER PLATZ 2, WHICH  
IS OWNED BY THE UNITED STATES OF AMERICA, FOR THE REAL  
PROPERTY LOCATED AT NEUSTAEDTISCHE KIRCHSTRASSE 4-5  
WHICH IS OWNED BY THE GERMAN DEMOCRATIC REPUBLIC.

3. "AFTER REVIEW OF THIS MATTER, I AM NOW AUTHORIZED TO  
TELL YOU THAT THE GERMAN DEMOCRATIC REPUBLIC IS WILLING  
TO AGREE TO SUCH AN EXCHANGE REGARDLESS OF THE FACT THAT  
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THE PROPERTY AT NEUSTAEDTISCHE KIRCHSTRASSE 4-5 CONTAINS

USUABLE STRUCTURES (HAUS DES HANDWERKS), WHILE THE PROPERTY AT PARISER PLATZ 2 CONTAINS NO STRUCTURES.

4."IF THE UNITED STATES OF AMERICA AGREES TO THIS EXCHANGE OF PROPERTY, THE AGREEMENT REACHED BETWEEN US SHOULD BE DOCUMENTED IN THE FORM OF AN EXCHANGE OF NOTES. SUBSEQUENTLY, AND AFTER THE CHANGE OF OWNERSHIP HAS BEEN FORMALLY INSCRIBED AS A PUBLIC SIGN OF THE CHANGE OF OWNERSHIP IN THE ABOVE PROPERTIES, THE REVISED ENTRIES IN THE REGISTER OF DEEDS MAY BE MUTUALLY EXCHANGED.

5."ANY FINANCIAL CLAIMS AND VALUE DIFFERENCES WHICH MAY RESULT FROM THIS EXCHANGE OF PROPERTIES SHOULD BE INCLUDED IN LATER NEGOTIATIONS ON THE SETTLEMENT OF OUTSTANDING PROPERTY QUESTIONS BETWEEN THE GERMAN DEMOCRATIC REPUBLIC AND THE UNITED STATES OF AMERICA.

6."YOUR CONFIRMATION THAT THIS PROPOSAL IS ACCEPTABLE TO THE UNITED STATES OF AMERICA WOULD BE GREATLY APPRECIATED."  
END TEXT

7. US DEL POINTED OUT FOLLOWING DEFECTS OF GDR DOCUMENT WHICH IMMEDIATELY APPARENT: (A) USG PROPERTY CONSISTED OF MORE THAN SOLELY LAND -- SPECIFICALLY FORMER EMBASSY BUILDING, (B) WE OBJECTED TO LUMPING TOGETHER OF PROPOSED PROPERTY EXCHANGE WITH OTHER ISSUES IN A GENERAL CLAIMS NEGOTIATION AND (C) THE VACANT SITE AT PARISER PLATZ HAS A HIGH VALUE IN ITSELF. CAREFUL READING SHOWS, MOREOVER, THAT NOMENCLATURE "THE EMBASSY OF THE UNITED STATES OF AMERICA IN THE GDR" IS UNACCEPTABLE.

8. UNLESS ADVISED TO CONTRARY BY OPENING OF BUSINESS AUGUST 15, US DEL TOMORROW PLANS TO ACKNOWLEDGE IN WRITING GDR PROPOSAL. PROPOSED TEXT FOLLOWS; " I HAVE RECEIVED YOUR LETTER OF AUGUST 14, 1974 AND CONFIRM THE INTEREST OF THE UNITED STATES IN A POSSIBLE EXCHANGE OF THE REAL PROPERTY, INCLUDING THE BUILDING, LOCATED AT NEUSTAEDTISCHE KIRCHSTRASSE 4-5 FOR THE REAL PROPERTY LOCATED AT PARISER PLATZ 2.

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9. "WE WILL CONSIDER YOUR PROPOSAL PROVIDED THE BUILDING ON NEUSTAEDTISCHE KIRCHSTRASSE 4-5 IS FIRST COMPLETELY RENOVATED AT YOUR EXPENSE TO MEET U.S. APPROVED REQUIREMENTS AND THE TRANSFER OF OWNERSHIP OF NEUSTAEDTISCHE KIRCHSTRASSE 4-5 TO THE U.S. IS THE EQUIVALENT OF UNENCUMBERED FEE SIMPLE TITLE IN THE LAND AND ALL IMPROOVEMENTS ON IT. ADDITIONALLY, YOUR PROPOSAL LACKS THE SPECIFICITY REQUIRED TO AVOID LATER DIFFICULTIES.

FOR EXAMPLE, THE VALUATION OF THE PROPERTIES TO BE EXCHANGED SHOULD BE SATISFACTORILY ESTABLISHED. MOREOVER, WE BELIEVE THIS MATTER SHOULD BE TREATED COMPLETELY SEPARATELY FROM THE GENERAL CLAIMS NEGOTIATION, TO OCCUR AT A LATER DATE. FINALLY, ANY EXCHANGE OF NOTES BETWEEN US CONCERNING THE PROPERTY EXCHANGE MUST INCLUDE NON-OFFENSIVE NOMENCLATURE WITH RESPECT TO OUR FUTURE EMBASSY.

10. "I HOPE YOU WILL FIND IT POSSIBLE TO PROVIDE US WITH A DETAILED PROPOSAL IN THE NEAR FUTURE, SO THAT WE MAY GIVE IT EARLY SERIOUS CONSIDERATION." FORMAL CLOSE. END TEXT.

11. RE RENTAL RATES, THERE WAS NO GIVE IN GDR POSITION WITH POSSIBLE EXCEPTION OF PROPOSED AMBASSADOR'S RESIDENCE ON NORDENDSTRASSE WHERE EAST GERMANS ORALLY STATED TODAY THEY PREPARED MAKE ADJUSTMENTS BASED ON ELIMINATION OF GARDENING SERVICES WHICH NOW INCLUDED IN RENT. WE PLAN TO PROVIDE TO EAST GERMANS TOMORROW OUR GENERAL IDEAS RE UTILIZATION OF SPACE AND HOPE TO ACHIEVE MINOR REDUCTION OF PROJECTED DOLS 100,000 PER ANNUM RENTAL. ANNUAL RENTALS (APPROXIMATE) FOR OTHER PROPERTIES ARE STILL AS FOLLOWS:

DCM RESIDENCE	DOLS 27,000
SENIOR OFFICE RESIDENCE (#1)	21,000
SENIOR OFFICE RESIDENCE (#2)	18,000
STAFF APARTMENTS:	
6 ROOMS	DOLS 10,000 EACH
4 ROOMS	7,000 EACH
2 ROOMS	4,500 EACH

A SATISFACTORY TEMPORARY CHANCELLERY, AT A MONTHLY RENTAL OF DOLS 3,000, HAS BEEN FOUND.KLEIN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 14 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
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**To:** STATE  
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